



Transportation White Paper

# Congestion Pricing for Downtown Seattle

Presentation to Washington Transportation Commission December 17, 2019

#### CONTEXT

- The City of Seattle has been examining congestion pricing as well as other means of generating revenues.
- Uber is participating nationally in efforts to better understand the promise of congestion pricing.
- The City recently released a phase 1 report examining congestion pricing for downtown.
- Uber commissioned a white paper on the topic from ECONorthwest.

### **ECONORTHWEST CHARGE**

- Examine a fair and efficient toll policy for downtown Seattle that maximizes the benefits of the existing infrastructure.
  - Avoid tolls that are too high or too low
  - Easy to understand and communicate
  - Fair
- Contribute to the City's evaluation of congestion pricing.
- The White Paper addresses all the study objectives outlined in the City's Phase 1 Report

#### WHITE PAPER FINDINGS

# A well designed downtown congestion toll yields significant benefits:

- 30% reduction in travel time during peak travel hours
- \$90 million in annual household travel time savings
- 4% increase in transit usage without increases to transit supply
- \$130 million in annual gross revenues
- Most tolls paid by high-income commuters

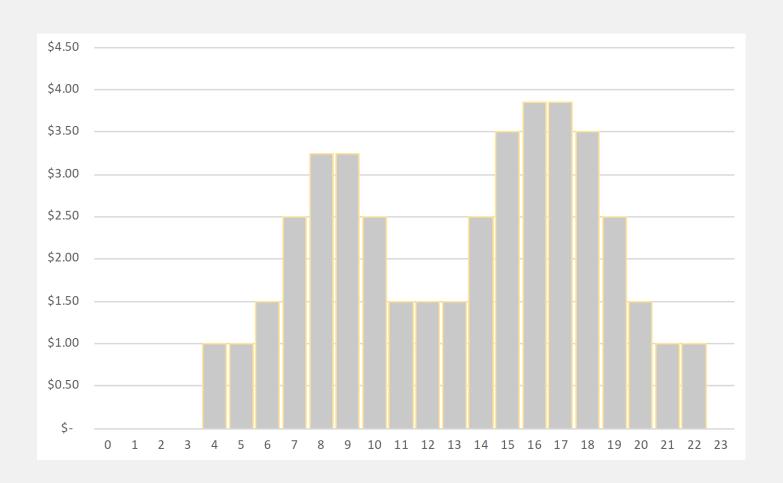
### **TOLLING ZONE**

- Strong coherence within core downtown.
- Secondary zones on the west, east and south of downtown.
- Zones could have different toll rates and/or start and end times.



#### **TOLL RATES**

- Tolls vary by hour of the day
- Vehicles pay the toll no more than once per day
- The toll paid is for the highest toll hour of the day



#### CONGESTION ON URBAN STREETS

#### Urban Networks

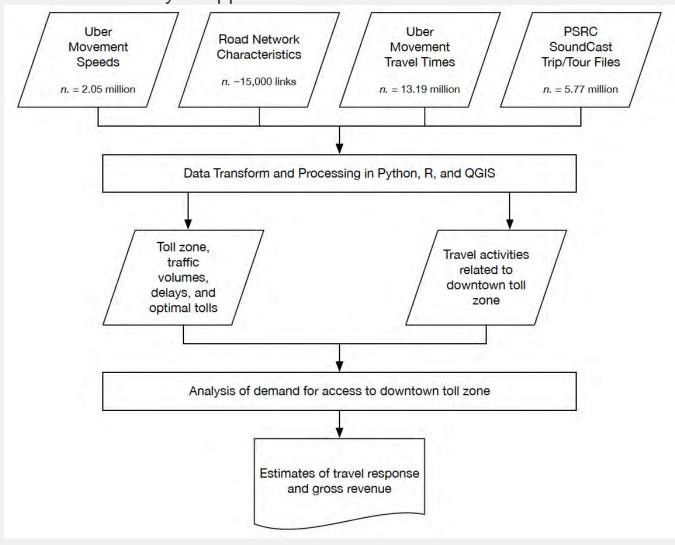
- Prone to hyper-congestion (a condition where the effective capacity of the network declines)
- Unlike freeways there are many intersecting queues
- A downtown network can share performance characteristics of a single queue

#### Tolling Implications

- Should toll the hyper-congested state (more severe congestion)
- Toll would need to be time-of-day specific
- Simplified toll structure can still yield large benefits
- Tolls paid by users will offset the time savings to users as a whole

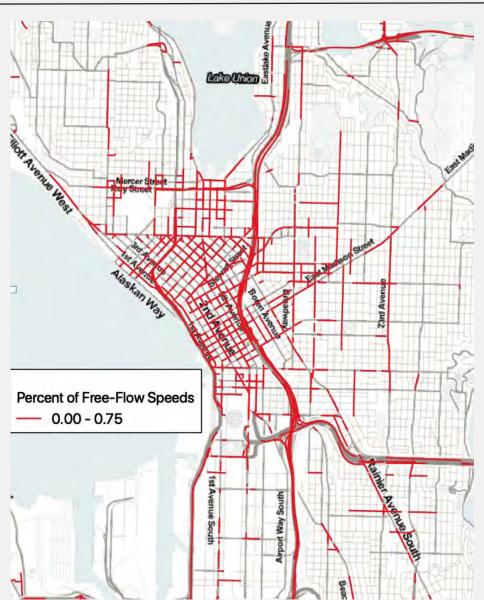
#### **APPROACH**

#### Overview of Analytic Approach



#### 5 PM SPEEDS BELOW 75% of FREEFLOW SPEED

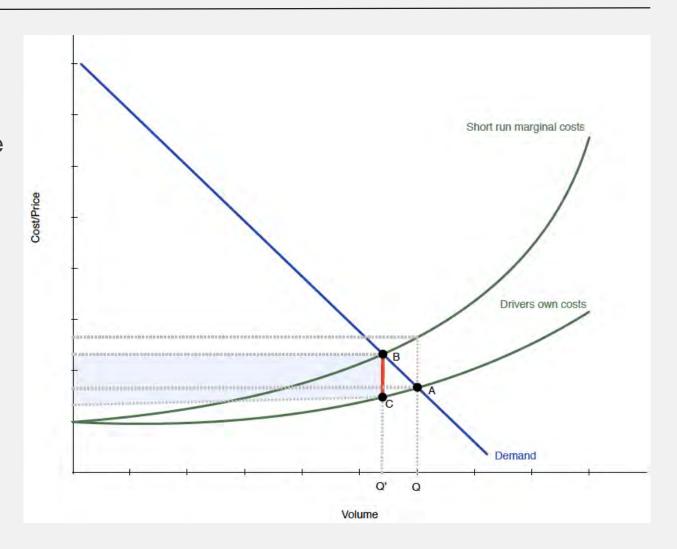
- Uber speeds data summarizes facility performance.
- Filtered by day of week, hour of day.
- Mean speeds, standard deviations, other points in the distribution.



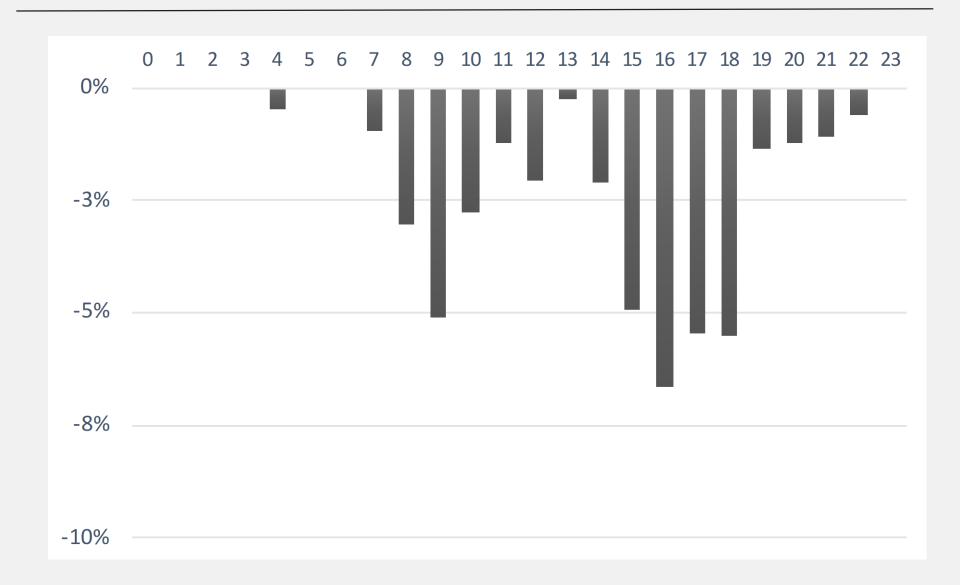
### STANDARD DIAGRAM

Optimal tolls can be estimated from data about speeds, volumes, and nature of delay on road segments.

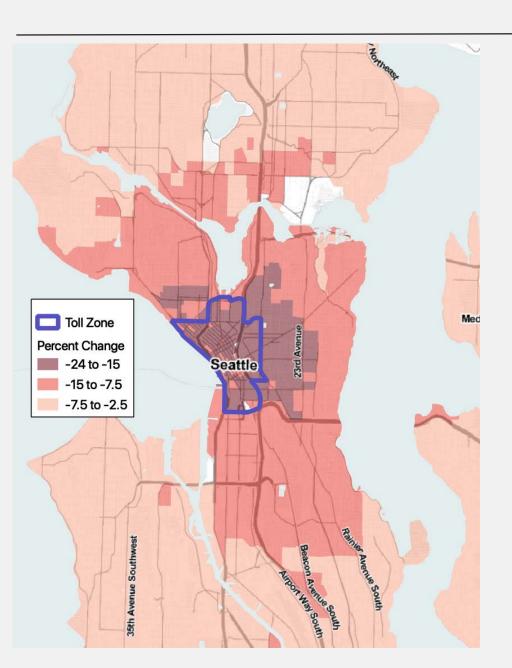
Starting with a fixed estimate of demands.



# AUTO TOUR REDUCTIONS

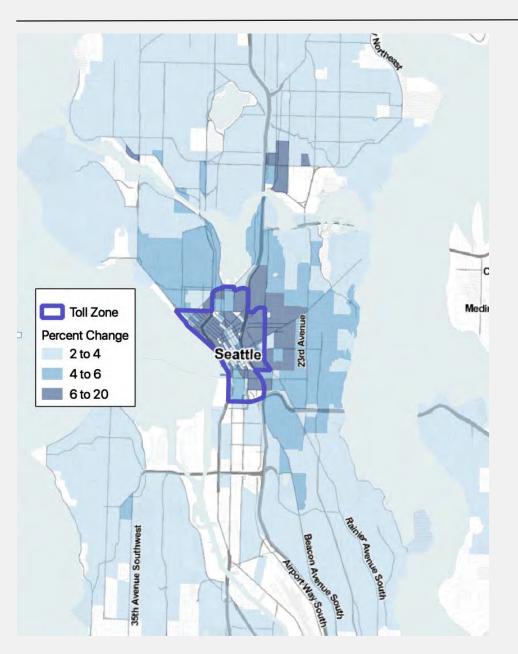


# **AUTO TOURS**



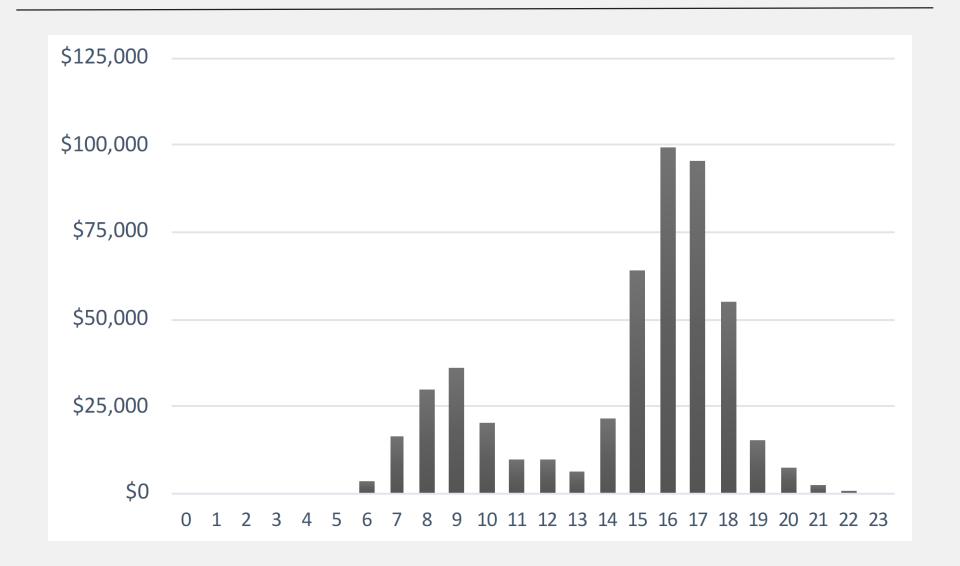
- Close-in, shorter distance, auto tours respond more to tolls.
- This is an expected result of a cordon/area charge.

### TRANST TOURS



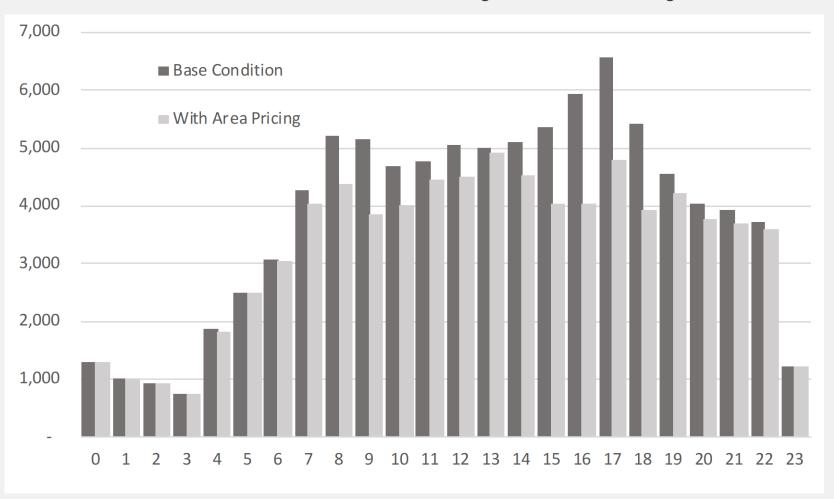
- Transit tours would likely increase where transit service is already competitive.
- Adding more transit services could yield additional transit tours.

# DAILY GROSS REVENUE BY HOUR

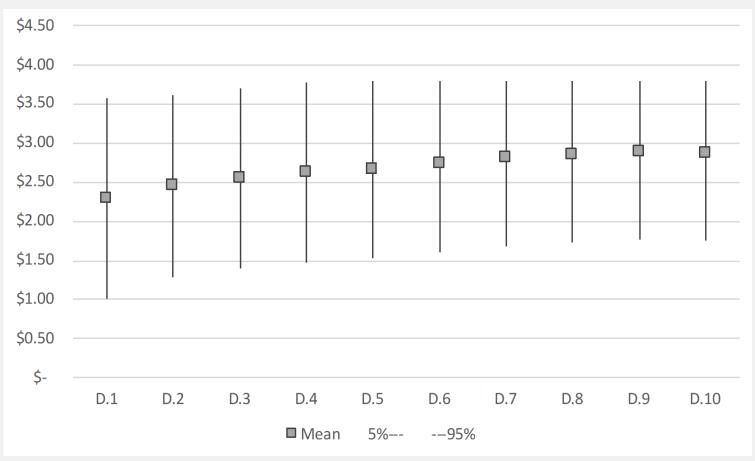


#### TRAVEL TIMES

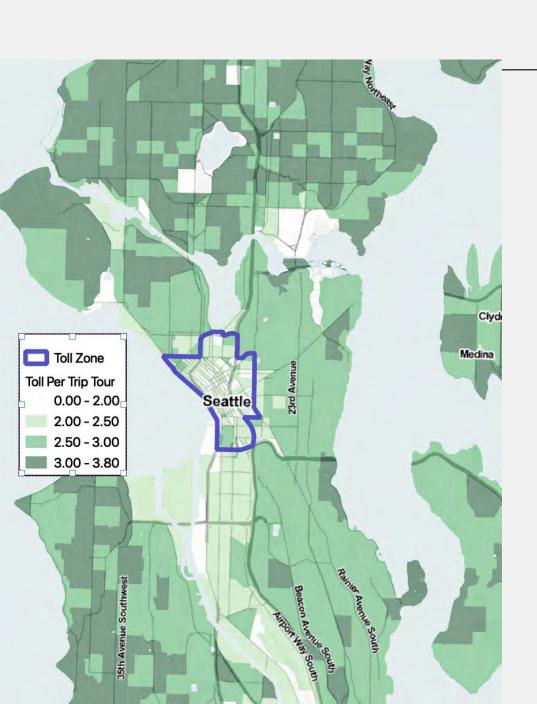
Hours of Auto Travel Time With and Without Pricing: 30% Time Savings In Peak



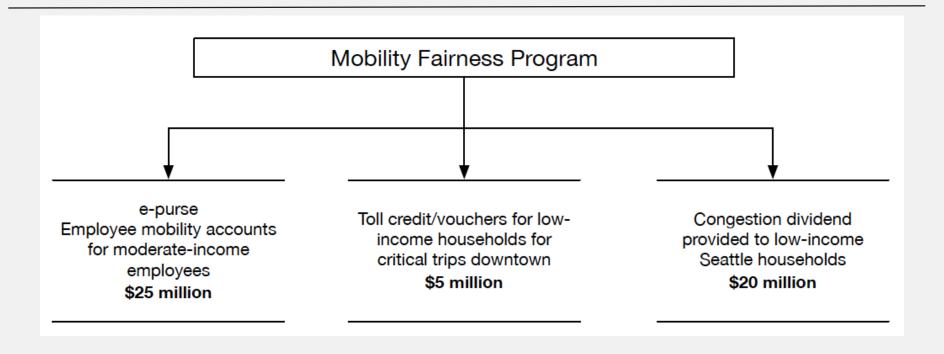
#### Average Toll Paid per Tour by Income Decile



# **AVERAGE TOLLS**



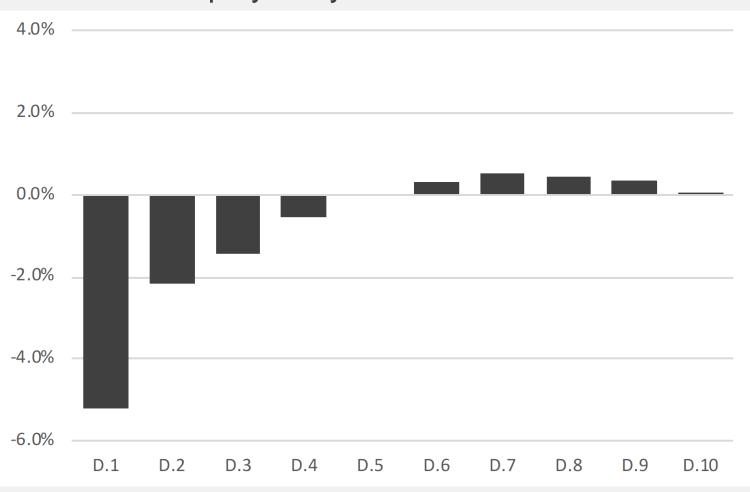
#### MOBILITY FAIRNESS PROGRAM



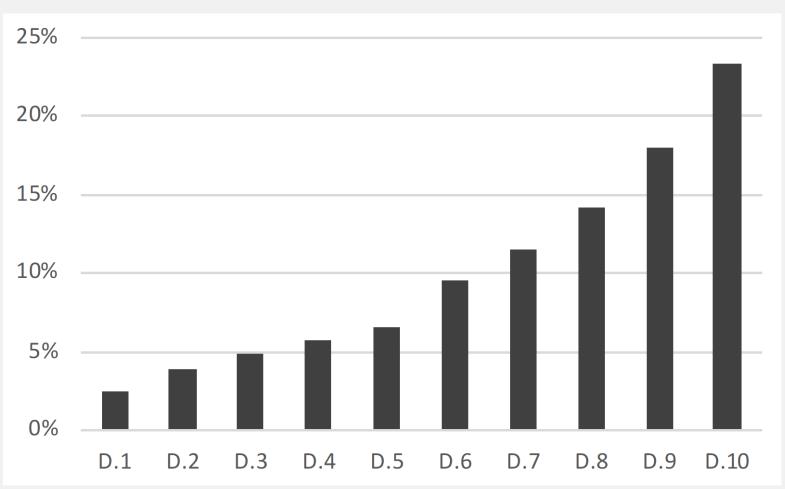
#### \$50 M of \$130 million to advance mobility fairness

- e-purse program: \$80/month for downtown workers at or below regional median income.
- Toll credits/vouchers for auto trips for essential services, such as medical visits, by low-income drivers.
- \$25 monthly mobility dividend to all Seattle low-income households.

# Toll Plus e-Purse Share of Income for an Average Downtown Employee by Income Decile



#### Share of Toll Revenue by Regional Household Income Decile



- Cordon/Area charges are not an ideal form of pricing, but still can yield benefits if carefully designed.
- A toll system for downtown streets can also be designed to address questions of fairness.
- Key features of fair and efficient congestion pricing include:
  - Area toll levied on all vehicles
  - Tolls vary by time of day, adjusted quarterly
  - Mobility e-purse program at 30% of gross revenues to mitigate impacts on those earning below median income









Portland Eugene Seattle Boise



#### **Matthew Kitchen**

Project Director kitchen@econw.com